THOUGHTS

ON THE

TREATY

NOW AGITATING BETWEEN

GOVERNMENT AND THE EAST INDIA COMPANY;

SHEWING THE CONCEIVED DEFECTS OF THE

PROPOSITIONS DRAWN UP BY THE COURT OF DIRECTORS;

AND CONTAINING

A NEW SET OF PROPOSITIONS,

PERHAPS MORE ADVANTAGEOUS TO THE PUBLIC, TO THE EAST INDIA COMPANY, AND THE OPPRESSED INHABITANTS OF HINDOSTAN.

BY ARCHIBALD MITCHELL,

LATE MAJOR OF ENGINEERS, BELONGING TO THE ESTABLISHMENT OF FORT ST. GEORGE.

JUSTUM ET TENACEM PROPOSITI VIRUM,
NON CIVIUM ARDOR PRAVA JUBENTIUM
NON VULTUS INSTANTIS TYRANNI
MENTE QUATIT SOLIDA.

HOR.

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MDCCLXXX.

N. B. The Purchasers are requested to leave their Names at the Place where they buy this Pamphlet; as Mr. MITCHELL wishes to know who the Gentlemen are that do him the honour to peruse this his maiden Essay.

ENTERED IN STATIONERS HALL,
ACCORDING TO ACT OF PARLIAMENT.

UNIV. OF CALIFORNIA
AT LOS ANGELES

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TO THE

PARLIAMENT OF GREAT BRITAIN,

HIS MAJESTY'S MINISTERS,

THE

COURT OF DIRECTORS OF THE EAST INDIA COMPANY,

THE

PROPRIETORS OF EAST INDIA STOCK,

AND

THE PUBLIC AT LARGE,

MY LORDS AND GENTLEMEN,

THE FOLLOWING ESSAY,

ON A

MOST IMPORTANT NATIONAL SUBJECT,

IS,

WITH GREAT DEFERENCE AND RESPECT,

HUMBLY SUBMITTED TO YOUR CONSIDERATION,

BY

YOUR VERY OBEDIENT HUMBLE SERVANT,

ARCHIBALD MITCHELL.

Berners Street,
No. 23,
Feb. 18, 1780.

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THOUGHTS

ON THE

TREATY, &c.

AS the proper and final adjuſtment of the negotiation, now carrying on between Adminiſtration and the Court of Directors, is of the utmoſt magnitude and national importance, and may be ſaid to be the *Magna Charta* of the Eaſt India Company, upon which it's future proſperity, nay it's very exiſtence, intirely depends, as well as a very capital ſource of future riches and aggrandizement to the Britiſh nation; it therefore moſt emphatically calls for the utmoſt exertions of political ſagacity, wiſdom, foreſight, and circumſpection, ſo to frame and arrange thoſe preliminaries which are to form the baſis of this important treaty, and of the new charter, as may moſt effectually ſecure the future proſperity, both political and commercial, of the Eaſt India Company; and be moreover calculated to ſecure, and to foſter, with parental care, thoſe rich and extenſive poſſeſſions acquired by the Company, aſſiſted by national force in the eaſt; which, if well managed, may be made productive of unbounded additions of wealth, influence and power to the Britiſh empire.

To anſwer the above purpoſes, the Court of Directors, with an apparent degree of candour, and attention to the intereſts of their conſtituents, which does them the greateſt honour, have brought forward to the view and deciſion of the Proprietors at large, a ſet of Propoſitions, framed and recommended by them, as a proper baſis of agreement between the Public and the Company, and reſulting from diſcuſſions between them and his Majeſty's Chancellor of the Exchequer.

My buſineſs ſhall be to examine, with all the accuracy of which I am capable, and with perfect impartiality, the merit and tendency of thoſe propoſitions; in doing which, I ſhall proceed in the following order.

I ſhall firſt examine the fundamental principles, upon which the propoſitions appear to have been framed.

SECONDLY, I ſhall endeavour to ſhow, how far the ſuperſtructure, contained in thoſe propoſitions, does correſpond with, and ought to have reſulted from, that foundation; more eſpecially in regard to the following particulars, which I apprehend to be the leading features of the whole.

FIRST, The propoſed duration of the new charter.

SECONDLY, The mode laid down for a participation of territorial revenue.

THIRDLY, The degree of excluſive controul and management, propoſed to be veſted in the Company, independent of Government.

LASTLY, As I expect to be able to make it clearly appear, that however good the foundation, the whole of the ſuperſtructure is little elſe beſides a maſs of incongruity, diſproportion and injuſtice; in ſhort, a mere caſtle in the air, equally devoid of ſolidity and duration. I ſhall therefore preſume to propoſe a new ſet of propoſitions, founded, I hope, on a more laſting baſis, and conſtructed upon a more durable, liberal and equitable ſyſtem. Such a one as, I flatter myſelf, will be found to be well calculated to promote, in a much ſuperior degree, the laſting proſperity of our new acquiſitions in India, and the concomitant aggrandizement of the Britiſh Empire, and of the Eaſt India Company: Between whom, I have the preſumption to interpoſe myſelf, and to aſſume the character and office of an impartial *mids-man*.

I begin, as I propoſed, by ſtating what I conceive to be the two leading principles, implied, though not expreſſed, upon which the propoſitions appear to have been juſtly founded.

FIRST, That in conſideration of a renewal of charter, and a continuance of the excluſive monopoly of India Commerce, for a ſtipulated term, it was reaſonable, and had been cuſtomary, that an adequate compenſation ſhould be paid by the Company to the public.

Secondly, That, as the nation claims a right, upon the expiration of the Company's preſent charter, and after liquidating the debt due by the public to the Company, to aſſume the property and poſſeſſion of the territories, now held by the latter, in India; it would therefore be for the intereſt of the Company, to purchaſe, by an equivalent compenſation, a ſuſpenſion of that claim, during the continuance of the propoſed Charter, by admitting the public to a certain Participation of the Revenues ariſing from thoſe Poſſeſſions.

In regard to the Firſt, I conceive, that the Million, to be depoſited by the Company in the hands of Government, as contained in the ſecond propoſition, and to remain there without intereſt, which I eſtimate to be equal to an annual gratuity of 50,000l. from the Company to the Public, is nothing more than a reaſonable, juſt, and moderate compenſation to the nation, for the injury done to the merchants in general of Great Britain, by excluding them from the advantages of a free trade with India, in favour of the Company

As to the Second, I am alſo decided in my opinion, that it is founded on the cleareſt principles of juſtice and equity. For, is there not a ſtriking ſimilitude, in the Company's paſt tenure, to the ſituation and rights of a tenant on leaſe? If ſuch a tenant, in conſideration of certain advantages to ariſe to him, within the duration of his leaſe, and perhaps in contemplation of procuring a revenual of that leaſe, on moderate terms, chooſes, at his own risk, and without making any previous agreement with his ſuperior, to lay out money in building, in incloſing and cultivating commons, I believe that ſuch incloſures would, at the expiration of that leaſe, become the property of the ſuperior. It is the ſame in reſpect to leaſe-hold houſes. Now I regard India, in it's preſent ſtate of political anarchy, in the light of an immenſe common. If then the Company, at the hazard of involving the nation in war, and of their own ruin, has preſumed to poſſeſs itſelf of, and to incloſe, ſome part of this common, ſurely the ſtate, from whence that Company derived it's very exiſtence, and excluſive eſtabliſhment in India; and who, (in reſpect to thoſe feodal poſſeſſions acquired by the Company there) may be regarded, as having neceſſarily become the lord of thoſe manors, (there being now, in truth and reality, no ſovereign actually exiſting over the Empire of Hindoſtan) and being ſo regarded, it appears to

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my conception, (for I do not pretend to determine how it is according to ſtrict legal deciſion) that the ſtate has a right, in equity, and by preſcription, perhaps by law too, to an aſſumption of property ſo acquired, as ſoon as the reciprocal obligations included in the Company's former leaſe, are mutually acquitted and expired. When I ſay this, I do not affirm any thing, but only give an opinion, and honeſtly confeſs, that the light in which I have ſtated this claim of right, is the ſtrongeſt in which I conceive it can be ſtated; and much ſtronger than any inference I mean to draw from it, in favour of the Public, does require. On the contrary, wiſhing to abſtract this queſtion from the chicane and ambiguity that ingenious lawyers may throw upon it, and to bring the conteſt to an amicable compromiſe, I am willing to allow, that the matter of right, in pure equity, preciſely equiponderates, between the Public and the Company. If this deciſion be ſubmitted to, it muſt neceſſarily follow, that an equal participation of revenue, and an equal ſhare of management too, ſo far as that revenue is concerned, ought to reſult from ſuch an adjuſtment. We ſhall ſee, by and by, how far the propoſitions now before the Proprietors, correſpond with the foregoing deciſion; and by that criterion we ſhall judge of their propriety.

Having thus explained the two fundamental Propoſitions, or Corner-ſtones, of the Treaty now agitating, reſpecting the grand object of Trade and Revenue, I ſhall now proceed to conſider the Plan brought forward by the Directors; and ſhall treat of it in the order already laid down.

In regard to the Firſt Head of Diſcuſſion, namely, "*the propoſed Duration of the New Charter*," I underſtand that the principal reaſons aſſigned by the Miniſters, in favour of a Short Term, are, The Magnitude of the Company's Dominions; their preſent critical and fluctuating ſtate; the impoſſibility of foreſeeing, and conſequently of forming an effectual barrier, againſt every Future Abuſe and Contingency, in the Management of them; and the Neceſſity, reſulting from thoſe combined conſiderations, of Subjecting that Management to the frequent Controul and Correction of Parliament. Theſe Objections to a Charter of long Duration, are certainly not without foundation: but if it can be ſhown, and I think it may, that they may be otherwiſe obviated; and that the very Short Term propoſed to be granted to the Company, in conſequence

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of them, (judging of the future by the paſt) will, in all probability, involve the Ruin, and perhaps the Loſs of thoſe Settlements; the Impropriety and Fatal Tendency of ſuch a Meaſure, will appear evident: When, I ſay, that ſo very Short and Precarious a Tenure will prove ruinous to our Eaſtern Colonies, I do not draw that conclusion from theory or conjecture, but from Paſt Experience, and from Local Knowledge. Who, that has been lately in India, does not know, that ſome of their Beſt Poſſeſſions are already almoſt Ruined, by Hand-to-mouth management? The Company hitherto, but more eſpecially their Servants, actuated by a Narrow Policy, and probably with an eye to the approaching Expiration of their Charter, and their probable Deprivation of Territorial Management, ſeem to have laid aſide all conſideration, in regard to promoting the Durable Proſperity of the Country; and have only ſtudied how to make the moſt of it, for the Preſent Moment: I ſpeak now more particularly in regard to their Management on the coaſt of Coromandel, where I was an eye-witneſs of the facts I am now ſtating: Their poſſeſſions have been farmed out, generally, for Three Years only; the landholders have been frequently changed; the lands have been rack-rented; the Zemindars have been ruined by uſury, in borrowing Money to ſatisfy the rapacity, not of the Company, but of the Company's Servants; the ſubtenants have been conſequently oppreſſed, and the whole Country is tending, by rapid ſtrides, to total Deſertion and Deſolation. From the ſame cauſes the Nabob of Arcot is, almoſt of neceſſity, become a Tyrant and Oppreſſor; and his Country is daily Depopulating; as will, in future, alſo the rich and fertile kingdom of Tanjore, now that it's Rajahs are brought within the rapacious clutches of a quick ſucceſſion of hungry wolves in the Company's Service. All theſe miſchiefs are chiefly owing to the Precariouſneſs of Tenures, and the frequent Changes of Syſtem: Let the Miniſter enquire a little into the Preſent State of the Company's Circar Poſſeſſions—He will find an almoſt Univerſal Bankruptcy amongſt the Rajahs; and an enormous Arrear of Rent, more than the Country will produce to the Company for Seven Years to come. In ſhort, it is almoſt horrid to tell, for the whole is a ſcene of matchleſs Rapacity, Deſolation and Ruin. What is the Cauſe of this? His Lordſhip's own Tenants will Anſwer the Queſtion: Place one of them, with a Leaſe expiring in Three Years; and free to do with the Land as he pleaſes; The conſequence is, he will ſcourge it, and Exhauſt it by Forced Crops; leaving it

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Worn-out, Barren, and good for almoſt nothing: Knowing the hen is no longer to lay golden eggs for him, he will ſearch her very bowels for the hidden treaſure. So has it been, and ſo will it be, with the Eaſt India Company, and with it's Territories and Dependents, if a Long and Secure Poſſeſſion be not Granted to them. I ſhall afterwards point out how thoſe Great Evils may be Remedied.

I now proceed to the Second Head, namely, "The Mode Propoſed for a "Participation of Revenue."

The Sixth Propoſition, containing this Article, is framed on a ſuppoſition, that a Dividend to the Proprietors of Eight per cent. is an Adequate Allowance for the Profits of their Trade: The Directors, indeed, ſay, That, on an Average of Forty Years paſt, their Nett Profits have amounted to Nine and a Half per cent.: To which I anſwer, That Eight per cent. on ſuch Large Inveſtments as they now bring Home, ariſing from Trade and Revenue together, is more than Equal to Nine and a Half per cent. on their former much Smaller Inveſtments. One Additional Advantage they would Gain, as the Propoſitions now ſtand, is, That whereas Formerly, if any Calamity befel their Factories, either by an Indian, or by an European War, or their Ships, by Loſs or Capture, they were without Reſource: it was a dead Drawback on their Profits, and their Dividends muſt Diminiſh. In Future, ſhould ſuch Loſſes accrue, the Revenues muſt make it good: At all events, the Proprietors are to Receive Eight per cent. Does it not follow, That Half that Reimburſement goes out of the Pocket of Government?

Having adjuſted the dividend for the profits on trade, the Propoſition goes on to ſtate the mode, in which the remaining profits of the Company, accruing from the territorial revenue, is to be ſhared between the Public and the India Proprietors: It propoſes, that all above eight per cent. ſhould be given to the State, until the profits amount to ſixteen per cent. When they exceed ſixteen per cent. the ſurplus to be equally divided between the public and the Company. The plain Engliſh of which Propoſition I take to be this: "We (that is Adminiſtration) will not revolt the Proprietors, by aſſerting, "in direct terms, that every farthing of revenue ſhall be ours, but we ſhall take

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" care to have it ſo, by inſiſting on receiving all up to ſixteen per cent. which " we are perſuaded, is the utmoſt extent of probable profit that will accrue " from the Company's poſſeſſions. Should, however, the profits, by a de- " gree of good management very unlikely to happen, exceed that proportion, " we will then condeſcend to admit the Company to an equal ſhare of this " imaginary ſurplus, this bubble of expectation, never to be realiſed. In re- " turn for this great condeſcenſion on our part, you ſhall have the honour of " being the ſole drudges in the management of this buſineſs, becauſe we are " convinced, by the wonderful extent of your paſt œconomy, and by the " great care you have ſhewn to provide for the laſting proſperity of your poſ- " ſeſſions, as well as by the effectual means you have uſed to ſecure all the " riches of India to yourſelves, and to let none of them to go into the " pockets of your ſervants, that you are exceedingly equal to this ar- " duous employment.—Moreover, we will not affront you, by making an of- " fer of paying for one half of the fortifications, building, guns, ſtores, &c. " &c. conſtructed and provided by you, at an immenſe expence, for the ne- " ceſſary ſecurity of your poſſeſſions:—You ſhall have the merit of making a " preſent of all that to the State, in return for the honour it does you, by call- " ing you it's partner, and we will content ourſelves with the whole of the " profits, without being at a farthing expence, or bearing any of the drud- " gery."

If, after reading this fair ſtate of the Propoſal, any one will ſtill be hardy enough to throw down the gauntlet, as a champion for the juſtice and moderation of Government, I certainly ſhall not accept the challenge, not chuſing to fight wind-mills, nor to run my head againſt ſtone walls.

I now proceed to the laſt head of diſcuſſion, namely, to examine,

" The degree of excluſive controul and management, propoſed to be veſted in the Company, independent of Government."

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In examining which, I ſhall firſt conſider the demands and expectations of the Directors, on this head, in behalf of the Company ; and then advert to the requiſition of the Miniſter on behalf the State.

The Directors begin their Propoſitions, by requiring, " That all their Charter Rights and Privileges, ſhall be preſerved to them entire." Had they condeſcended to have expreſſed this wiſh, with ſome degree of limitation, I conceive, it would have been both more modeſt and more juſt. For example, had they thought proper to inſert the following clauſe, namely—" So far as regards our excluſive trade, and the management of our commerce," perhaps the requiſition would have been more reaſonable, as well as more reſpectful, than as it ſtands at preſent. Their demand may be thus tranſlated : " We " expect, not only the excluſive management of our trade, the ſole object of " our former Charter privileges, (in which claim they are perfectly well found- " ed) but we inſiſt alſo on the entire adminiſtration of the territory—the ſole " right of Indian legiſlation—and the undivided exerciſe of collecting and " employing the revenues.—We are aware that this demand is rather *outré* on " our part, but ſtill we will be much obliged to you, if you will grant it. " We ſhould offend the Proprietors, if we acted otherwiſe ; and if you give " it us, we will make it up to you, in more eſſential matters : for we will " permit you to pocket the *whole revenues*, if you will give us *all the power*. " We muſt be, at the leaſt we muſt *appear* to be, the ſole Governors and " Treaſurers.—We muſt have the *oſtenſible* diſpoſal of all places, and have it " abſolutely in our power to enrich our friends and dependents, at the expence " of the public.—In ſhort, we will do all the buſineſs—take a *little* care of " the Company—a *great deal* of *your* friends and *our* friends, and let the " public at large ſhift for themſelves. Finally, we inſiſt upon being great " men, *in appearance*, but you ſhall have all the power, *under the Roſe*."

" Gentlemen, replies the Miniſter, I pardon the preſumption of your de- " mand, on account of the motive from whence I conceive it to have origi- " nated, namely, your deſire to approve yourſelves the faithful guardians of " the rights of your conſtituents ; but I will not ſo far degrade your diſcern- " ment, as to ſuppoſe, that your claim to excluſive management of *revenue*

" as

" as well as *trade*, can be juſtified by your private opinions, and conviction of
" it's equity and propriety. Surely, Gentlemen, a participation of revenue
" neceſſarily implies a proportionable ſhare, in the management of thoſe
" countries from whence that revenue is to ariſe. In regard to influence,
" *under the Roſe*, it would be highly unbecoming in the Miniſter of this great
" nation, in the adjuſtment of ſo important a buſineſs as the preſent, to *appear*
" to give weight to, or to be actuated by, ſuch indirect motives. Beſides, neither
" my time, my inclination, nor the turn of my mind, lead me to court ſuch in-
" fluence. Other miniſters, perhaps, of leſs official connection with the
" Company, may have courted it, and may have obtained it. The motives
" of my claim, in behalf of the State, to a ſhare of territorial management,
" however unpopular that claim may be, I am yet not aſhamed to own, be-
" cauſe I am convinced, it is founded both on juſtice and expediency; nor
" has the paſt management of the Company's poſſeſſions, in the hands of the
" Directors, and of ſervants of their appointing, had any tendency to leſſen
" that perſuaſion. Partnerſhip (I ſpeak to you now as merchants) neceſſarily
" involves in it a ſhare of direction. When I ſay this, I am at the ſame time,
" perfectly aware, of the degree of unpopularity and jealouſy, that will be
" excited, eſpecially in the preſent moment, by the adoption of any meaſure,
" that tends to increaſe the power, and to extend the influence of the Crown;
" however juſt, however neceſſary it may be, on the preſent occaſion. On
" that account I am diſpoſed to wave my claim to *oſtenſible*, *domeſtic* manage-
" ment, and to confine it within the bounds already preſcribed by Parliament,
" of nominating the Governor General and Supreme Council in Bengal, as
" being the executive power in the adminiſtration of revenue. On the part of
" the Crown, and of the public, if domeſtic direction is expected to be given up,
" I muſt inſiſt upon the nomination to thoſe important offices; and in granting
" it, there will ſtill remain to the Company a much more extenſive nomination,
" to places of greater truſt and emolument, than is now claimed on behalf of the
" Public. If, therefore, that ſhare of foreign direction which I demand, is not
" admitted, the deciſion muſt be left to parliament, who may probably think
" that a ſhare of *domeſtic*, as well as of *local* direction, is the indiſputable right
" of the nation in this buſineſs."

Permit me now, in the character of mids-man, and with no other intereft in the caufe, than as a ftrenuous advocate for the rights of the nation at large, and of the abfent natives of Hindoftan, (perhaps not fufficiently attended to on either fide) to pronounce the following impartial decifion on the merits of this important queftion.

" My Lord, and Gentlemen,

" I have hitherto liftened to the arguments of both fides, with filence and attention; with attention, not only to the outward texture of your reafoning, but to the inward fprings alfo, by which you are actuated. I have endeavoured to pry into the very bottom of your fouls; and this is the refult of my inqueft:

" As for you, Gentlemen of the Direction, you have fpoke with fo much fimplicity and plainnefs of fpeech, that it is impoffible to miftake your meaning: Your arguments, therefore, as well as your motives, require no comment: they are both fufficiently obvious.

" In regard to your Lordfhip, while I admire the dignity and difinterestednefs of your profeffions, I am forry that I do not find myfelf juftified in paying the fame compliment to your abilities, on the prefent occafion: I would rather wifh to fuppofe, and I think it moft probable, that the formation of this crude, inadequate, and ill-digefted plan, has been the work of others, more than of your Lordfhip: I have already pointed out the bad policy, and the ruinous confequences, refulting from the very fhort term, propofed for the duration of the Company's charter.—I have alfo, I conceive, fufficiently brought to light the enormity of your Lordfhip's demand, in regard to the *Quantum* of participation required for the public:—The mode propofed, for obtaining that quantum, is equally exceptionable, but I defer the confideration of that matter for the prefent, and proceed to fhew, that the degree of management, and direction, claimed by you, in behalf of the public, falls as much fhort of that extent and efficacy of controul which is their due, as their propofed proportion of revenue exceeds that due.—I have already expreffed my conviction that the eight per cent. demanded for the Public, before the Company can receive any fhare of the Revenue,

" is

" is more than that Revenue will ever be brought to produce, in the " way which your Lordship has thought proper to consent to the future " Administration of the Company's settlements: This being the case, why " not insist upon the whole of the management, as well as the whole of " the Revenue? I readily allow that such an assumption of power would be " too gross to pass on the Public, but I must at the same time affirm, " that the *one* naturally results from the *other*; and, in point of abstract jus- " tice, is just as much their due: But your Lordship, in avoiding Scilla, " had fallen upon Charibdis, and your dread of claiming an unpopular, " though just right, has induced you on this, as on many other occa- " sions, to sacrifice to your characteristic timidity, the necessary autho- " rity of the State. I can conceive your Lordship to have argued in this " manner: We must not revolt the Company, and increase the popular clamour, " by demanding *ostensible* direction, to the extent of our claim: We will de- " pend for a share of domestic management, on the well known influence " of the Crown, in the choice of Directors: We will confine ourselves to the " appointment of the supreme Council, partly because we have already got " Parliamentary sanction to that claim, and more especially, as it will af- " ford us the ample means of future Patronage: Had you consulted " only the interest of the State, it would have occurred to your Lord- " ship, that, though the election of the supreme Council was vested in the " Crown, yet in the excution of their trust, and in the disposition of the Re- " venues, they were to act under the orders of the Court of Directors, and not " of Ministers; consequently, though you might gain the nomination of " lucrative appointments, yet the nation would gain nothing in point of " controul over the Company. It might also have occurred to your Lord- " ship, on a retrospect of the past management of the Company, respecting " their territories, both in point of internal policy, and in appropriating their " immense revenues for the benefit of the Company, instead of permitting " them to become a prey to the rapacity of their servants, that when such " total want of good policy, and of œconomy, existed, at a time when " the exertion of those virtues tended solely to enrich themselves and their " constituents, is it not probable they will exist, in a superior degree, when " they know, that all their labour, and all their pains, will only serve

" to

"to benefit the *State*,' and not *themselves*: It is rather to be expected that "they will be very indifferent to the interest of the State, and very attentive "to their own, and that of their friends and dependents."

Upon the whole, I think it must be allowed, that the propositions are exceedingly defective, in their constituent and most essential parts, namely; in regard to duration of Charter, participation of revenue, and future management: That the foundation is bad, and the superstructure still more inadequate: And in short, that the whole is a heterogeneous concoction of crude and ill digested materials, and a strange mixture of city politics and courtly management; in which, whilst each party has been endeavouring to make the best bargain possible for themselves, the more essential and permanent interest of the State, has been neglected by *both*.

Having now, as I conceive, effectually demolished the old building, I proceed to the still more arduous task of constructing a new, and a better one, in it's place. The clumsy day labourer can pull down, but it requires both the head and the hand of an artist to plan and to construct, and, from the old and defective materials of a tottering edifice, to raise a much more capacious one, more solid in it's foundation, just in it's proportions, and better calculated for convenience, beauty and duration. Let me then, for the benefit of my honourable masters, and of my Country, once more resume the employment of engineer, (in which I have acted under them, for these last sixteen years) and construct, for their use, a citadel, capable of securing their *Magna Charta* of just rights and privileges, and of withstanding all the assaults, which the enemies of the Company, or of the State, can unitedly bring against it.

I found my building on the following preliminary Propositions, by way of basis.

First. That the Company have an undoubted claim to the continuance of all their charter rights and privileges, *so far as they relate to trade.*

Second. That the longer the duration that is given to their new charter, (so far as it can be done consistent with the safety and advantage of the state) the

greater

greater degree of permanence, ſtability and proſperity will accrue to the Company, and to their poſſeſſions, and proportionable advantages will reſult to the State.

Thirdly. That it is juſt and reaſonable, and has ever been cuſtomary, that an adequate conſideration ſhould be paid to government, for a renewal of charter, and the continuance of the Company's excluſive trade.

Fourthly. That it will be for the mutual intereſt of the Company, and of the State, more eſpecially in the preſent criſis of Public affairs, to ſettle amicably the queſtion of territorial right, and to agree to an equal participation of revenue, or even, if inſiſted on, to a total ceſſion of right to the Company, on condition of ſuch perpetual participation.

Fifthly. That ſuch a mode of participation, as ſhall appear to be the moſt ſimple, leaſt liable to litigation and abuſe, and beſt calculated to promote œconomy and good management, in the collection and appropriation of the revenues, is the moſt proper to be adopted.

Sixthly. That a participation of management, ſo far as relates to territory, ſhould alſo take place between the Public and the Company, as the moſt equitable and beſt ſecurity, for the preſervation and improvement of the joint intereſts of both.

Upon theſe, as eſtabliſhed preliminaries, I build the following leading propoſitions, as the baſis of an agreement between Government and the Company.

P R O P O S I T I O N S.

First, That all the Company's Charter Rights and Privileges, *ſo far as they regard trade*, ſhall be preſerved to them intire, and their excluſive trade prolonged for the term of *Thirty Years*, beſides the three years notice to be given.

Second, That in conſideration of the above, the Eaſt India Company ſhall advance and pay into his Majeſty's Exchequer, for the uſe of the Public, *One*

 Million

Million and a Half of pounds ſterling, without intereſt, at ſuch times, and in ſuch proportions as ſhall be agreed upon. That, provided their territories continue in their poſſeſſion, and their dividends upon their capital amount to twelve per cent. at the end of fifteen years, they ſhall in that caſe, pay to Government, as above, a farther million of pounds ſterling, for the remaining fifteen years of their Charter.

Thirdly. That the adminiſtration of the Company's affairs ſhall come under the inſpection, controul and correction of Parliament, once every three years.

Fourthly. That an equal participation of the territorial revenue, ſhall commence between the Public and the Company, upon the following principle, viz. That three fifths of the groſs revenues are, or ought to be, equal to all the expences of collection, and of the civil and military eſtabliſhmenrs, of the territories in India.

That, therefore one fifth of the groſs revenues, or 4s. in the pound land tax, be annually paid into the hands of an angent for the Public, to be ſtationed at each of the Company's ſettlements, who is to have a ſeat in the Council of ſuch ſettlement. The ſaid fifth to be lent to the Governor and Council of that ſettlement, in behalf of the Company, in order to be veſted in the commodities of the country, and in that ſhape, tranſported to Britain:—To be repaid to Government here, at an exchange hereafter to be ſettled. The remaining fifth to be the property of the Company.

Fifth. That ſix of the twenty four Directors be always in the nomination of the Crown.

Sixth. That the ſix Crown Directors ſhall not be ſubjected to the qualifications, in point of poſſeſſion of ſtock, now ſubſiſting in regard to eligibility, but may either be Proprietors or not, as his Majeſty ſhall think fit.

Seventh, That the expence of military ſuccours, ſent at any time by Government to India, ſhall be defrayed, jointly and equally, by the Public and the Company.

Seventh, That

Eighth, That the Secretary of State for the Colonies, (who, tho' the present war Minister, Mr. Burke, with a degree of truth and modesty, conspicuous on that side of the House of Commons, has stiled to be the possessor of a sinecure office) shall have something actually to do, by being appointed Secretary of State for the East India Colonies also, and shall sit as a Director, whenever he chuses to attend. That no orders or instructions, relative to territorial Government, or revenue, to the military, to negotiation, or to War or Peace, shall be transmitted to India, without his previous concurrence and consent; and all communications, received from India, on those subjects, shall be immediately transmitted to him. That the said Secretary of State, shall nominate a Sub-secretary, for the peculiar management, under him, of the East India department; which under Secretary shall always be one of the six Directors, nominated by Government, and shall not be liable to go out at the end of four years.

Ninth, That to give the present Directors time to conclude, as they have carried on the present treaty, they be continued in the direction for one year longer, without change, unless that the youngest of the six Directors, who would have gone out by rotation, do go out, to make room for the Subsecretary of the Secretary of State.

Tenth, That in consideration of the great additional weight of business, lately incurred by the Court of Directors, an increase of salary do take place, in some proportion to the fatigue and importance of their station; namely, that the Chairman have an annual salary of 1000l. the Deputy Chairman 750l. and each of the Directors 500l.

Eleventh, That to prevent the inconveniencies of a too frequent fluctuation of men and measures, in the management of the Company's affairs, the Chairman and Deputy do continue to enjoy those Places, as long as Two Thirds of the Proprietors shall give their voice for the same; nor shall any Director go out, as long as Two Thirds of the Proprietors continue to vote for his Remaining.

Twelfth, That to secure the constant attendance of the Directors, to the discharge of their important trust, there be, at the least, three court days in the week,

week, all the year round: That for each day's abſence of the Chairman, whether from illneſs or otherwiſe, he be liable to a ſtoppage of 5l. the Deputy of 3l. and each of the Directors, of 2l.

THIRTEENTH, That no perſon be choſen Director, who is engaged in any active ſcene of buſineſs.

FOURTEENTH, That in conſideration of the powerful military force, under the Company's orders, there be never *leſs* nor *more* than two military Gentlemen belonging to the direction.

FIFTEENTH, That, for a ſimilar reaſon, there be never *leſs* nor *more*, than four retired Captains of Indiamen, in the direction.

SIXTEENTH, That there be conſtantly in the direction, at leaſt one gentleman, returned from each of the Company's Settlements in India.

SEVENTEENTH, That the ſix Crown Directors be always Members of the Committee of Correſpondence.

EIGHTEENTH, That ſome effectual mode be adopted, for preventing the rapid acquiſitions of fortunes, by their ſervants in India, at the expence of the Company, their territories, and allies.

NINETEENTH, That ſome reaſonable mode of permitting the Servants of the Company, to remit moderate fortunes to England, through the channel of the Company, be found out, in order to prevent indirect remittances, and ſuch as are injurious to the intereſt of the Company.

TWENTIETH, That a greater degree of credit be given, in point of borrowing money, in moments of extreme exigency, to the governors and councils of the different Settlements, ſo as not to diſtreſs the Company at home.

TWENTY FIRST, That the *privilege tonnage*, allowed the captains, and officers of Indiamen, be greatly curtailed; and an expreſs prohibition given to their inveſt-

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ing any money in the commodities of India, in their returning voyages. In compensation for this, an increase of wages to be paid them, and a permission given them, of paying in the produce of their outward bound investments, into the Company's cash in India.

Twenty second, That in order to obtain the unconstrained assistance of many Gentlemen of great ability now in this country, and returned from India, in framing a set of constitutions for the better government of the territories in India, a general act of remission and oblivion take place, in regard to all past offences and misdemeanours, committed by any of the Company's Servants, which shall not be at this present time under legal discussion.

Lastly, That a Committee of Proprietors (to be nominated jointly, as hereafter specified by the Minister and the Court of Directors) be appointed, and authorised to join in consultation with the Court of Directors, for the purpose of altering, amending, and enlarging the propositions now before the Court; so as to bring them to correspond more perfectly with the sense of the Proprietory at large; and to remove (as far as is consistent with the Company's rights) such obstructions, as may impede, or prevent the final concurrence of Administration, and of Parliament.

The Committee to be chosen in manner following, viz. Such Proprietors as may be willing to become Members of this Committee, to send in their names, within three days, to the Company's Secretary.

From the names thus given in, the Court of Directors to nominate Twelve, and his Majesty's Chancellor of the Exchequer the same number, which, with the Twenty-four Directors, shall form the said Committee.

Should there not be a sufficient number of names given in, then the Directors to select such Proprietors as they may think proper, to make up their number of twelve. The Minister to do the same, or (if he thinks fit) to nominate gentlemen, on the part of Administration, who may not be Proprietors of India stock.

Out of this committee of forty eight, a select committee to be chosen, to consist of twelve members: namely six Directors, including the two chairs, three

Proprietors, to be chosen by the Directors, and three by the Minister. This committee to be occasionally an open committee, to receive all such Plans, Proposals or information as may be laid before them, and to prepare, digest and arrange, a set of Propositions for the consideration of the general committee, and to call them together when they may find it necessary. When the Propositions are adjusted by the general committee, a general Court of Proprietors is to be called, by whom they are to be ratified or rejected by Ballot.

The Chairman to wait on Lord North, to know if his Lordship will approve of the foregoing mode of proceeding.

P. S. Query, Would it not be proper, that the Government or the Company, should give 1000l. or such other sum as they shall think adequate, to be paid to the person who gives in the best and shortest draughts of a charter, or articles of partnership, betwixt Government and the Company.

APPENDIX.

APPENDIX.

Propositions, as prepared by the Court of Directors.

The Court of Directors of the East-India Company having taken into their most serious consideration the terms necessary to be offered to government for the prolongation of the Company's Charter, beg leave, upon the most mature deliberation, to submit the following propositions to the consideration of Lord North, *as the basis of an agreement with government for that purpose.*

PROPOSITIONS.

I. THAT all the East-India company's present charter-rights and privileges shall be preserved to them entire, and their exclusive trade prolonged for the term of ten years, besides the three years notice to be given, according to the provision made for that purpose, in the subsisting act of the 17th of George the Second.

II. That in consideration of all their present charter-rights and prvilieges of exclusive trade being so preserved and prolonged, as aforesaid, the East-India company shall advance and pay into his Majesty's Exchequer, for the use of the public, one million of pounds sterling, without interest, at such times, and in such proportions, as shall be agreed upon between the Lords Commissioners of his Majesty's treasury and the Court of Directors of the said company.

III. That the said sum of one million shall be repaid on or before the 25th day of March, 1790; and the company's right to an exclusive trade shall not be determined after that time, until the said one million shall be repaid, as well as the four millions two hundred thousand pounds, now due from the public to the company.

IV. That the company be authorized and impowered to borrow on bond, under their common seal, or otherwise, any sum or sums of money, not exceeding one million, over and above the amount of their present bond debt in England.

V. That in cases of necessity the company shall be at liberty, with the approbation and consent of the lords of the treasury, to borrow upon bond, or otherwise, any sum or sums of money, not exceeding five hundred thousand pounds, over and above the amount of their present bond debt, and of the additional million to be borrowed, as beforementioned; or over and above any less sum, which shall happen to be their bond debt when such cases of necessity shall

ſhall ariſe. But as money, ſo to be borrowed, will only be for relief in temporary exigencies, it ſhall not affect any of the proviſions made in the following Propoſitions, reſpecting dividends to be made amongſt the Proprietors.

VI. That each and every year a diſtinct account of the nett profits of the Company be made up; and that each year the nett profits be divided in the manner following: viz.

The Company ſhall always receive eight per cent. if the profits be equal thereto.

The Public ſhall alſo receive eight per cent. if the profits amount to ſixteen per cent.

When the profits are leſs than ſixteen per cent. the Public ſhall receive all above eight per cent.

If the profits exceed ſixteen per cent. the ſurplus ſhall be equally divided between the Public and the Company.

And the moiety of the ſurplus appropriated to the Company, ſhall each year, after payment of the increaſed dividend herein after-mentioned, be applied to the diſcharge of the Company's debt.

VII. That to the preſent dividend of eight per cent. to the Proprietors, ſhall be added an increaſe of dividend, not exceeding one per cent. each and every year, until the dividend ſhall be ten per cent. per annum, if the Company's moiety of the profits be equal thereto; and from that period, or ſo ſoon after as four hundred thouſand pounds of the preſent debt ſhall be paid off, a further additional dividend of one per cent. per annum ſhall be made; and when the further ſum of four hundred thouſand pounds be paid off, another addition of one per cent. per annum dividend; and when two hundred thouſand pounds, the remainder of the million now to be borrowed, ſhall be paid off, the dividend ſhall be increaſed to twelve and a half per cent. per annum.

VIII. That the Company ſhall remain in poſſeſſion of all the territorial acquiſitions and revenues of the Dewannee of Bengal, Bahar and Oriſſa, for and during the term of the excluſive trade to be granted to the Company, in the ſame manner as they are now entitled to their other territorial acquiſitions and revenues, without prejudice to the claim of the Public or of the Company.

IX. That the term of this agreement of participation between the Public and the Company, ſhall commence and take place on and from the firſt day of March, 1780.

That

X. That in order, to the utmoſt of their power, to alleviate the public burthens, whenever the ſituation of affairs ſhall render it neceſſary for the Company to apply to Government for a naval force, or for troops to be ſent to, and remain in the Eaſt Indies; the Company ſhall contribute towards defraying the expence thereof, out of ſuch ſurplus money as ſhall ariſe from the territorial revenues in Bengal, and remain in their treaſury, after providing for all uſual expences, and for the Company's European inveſtments, and for ſupplies to China, and their other ſettlements; and likewiſe after reſerving a fund of one million in the Company's treaſuries in India for contingencies, or ſeven hundred thouſand pounds in Bengal, and three hundred thouſand pounds in the other treaſuries of the Company in India, over and above the amount of the Company's debts in India; then the ſupply to be allowed and paid by the Company to Government, on account of naval and military expences to be incurred, as aforeſaid, ſhall extend to the payment of a ſum, not exceeding thirty thouſand pounds per annum for every ſhip of ſeventy-four guns, and twenty five thouſand pounds per annum for every ſhip of ſixty four guns, and ten thouſand pounds per annum for every frigate, employed in India; not exceeding two ſhips of ſeventy-four guns each, ſix ſhips of ſixty four guns each, and three frigates, in time of war; and not exceeding three ſhips of ſixty-four guns each, and two frigates, in time of peace; and alſo to the payment of a ſum, not exceeding twenty thouſand pounds per annum, for one regiment of land forces, conſiſting of one thouſand men, or forty thouſand pounds per annum, for two regiments, if wanted, conſiſting of two thouſand men, provided it is neceſſary to expend ſuch ſums on the above number of ſhips and troops in India, amounting in the whole, to a ſum not exceeding two hundred and eighty thouſand pounds in time of war; or not exceeding one hundred and thirty-five thouſand pounds in time of peace; which payments ſhall be made in India, and computed at and after the rate of two ſhillings and three pence the current rupee of Bengal, from whence the ſaid ſupplies muſt always be obtained.

XI. That the power of nominating and removing the Governor-General and Council of Bengal be henceforth veſted in the directors of the Eaſt India Company, according to the proviſion made for that purpoſe, in the act of the thirteenth of his preſent Majeſty.

XII. That in order to aſcertain the nett profits ariſing from the company's trade and revenues, an account ſhall be made up of the profit and loſs upon the whole of the ſaid trade and revenues, together with a ſtate of the Company's debts in England, excluſive of their bond debt, to the firſt day of March in every year; and the firſt of ſuch ſtatements or accounts ſhall be made upon the 1ſt day of March, 1781, or ſo ſoon afterwards as the neceſſary materials can be prepared, for the year preceding. And every ſuch ſtatement or

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account, fairly written, and signed by two or more directors of the company, shall be transmitted, within thirty days after the day to which it shall be made up, to the commissioners of his Majesty's treasury, or to the high treasurer for the time being.

XIII. That Accounts of the gross amount of all the territorial revenues received by the Company, and of all their disbursements, charges of Management, civil, military, and other expences and charges, and of the nett proceeds in each of the settlements of the Company, shall also be annually made up, and presented to the Lords of the Treasury, on, or so soon after the 1st Day of March in each year, as the receipt of the necessary materials from India shall enable the Company to form such accounts.

XIV. That the Moiety of the surplus profits, to be appropriated to the public, shall be paid annually into his Majesty Exchequer, for the disposition of parliament.

XV. That the power of drawing bills of Exchange upon the Court of Directors be restrained, as it is by the act of the 13th Geo. III.

XVI. That no bill, promissary note, or other obligation for money, issued, or to be issued by any of the company's presidents and councils, or servants, in India, or in China, and made payable there, shall become payable in England, without the consent of the court of directors first obtained for that purpose.

XVII. That no bill or bills of exchange drawn upon the company, or court of directors, by any of their servants in India, or in China, beyond the amount authorised by, or contrary to the orders of the court of directors, shall be obligatory or binding upon the company in England, until such bill or bills shall have been accepted; but every holder of such bill or bills of exchange, shall have recourse to the person or persons who may have signed the same, as the drawer or drawers thereof.

XVIII. That no British subject in the service of the company, or licensed by them to proceed to India, shall reside in any other place in India, than one of the company's principal settlements, or within twenty miles thereof, without special orders or license in wirting from the company, or from their president or governor and council; nor shall any such person or persons reside beyond such limits, as aforesaid, for longer time than shall be specified in the company's orders, or in his or their license or licenses respectively.

XIX.

XIX. That the ſervants of the company in India be reſtrained from lending money to foreign companies and to foreign merchants, and from purchaſing goods in India for ſuch companies or merchants to be ſent to Europe, and from being concerned therein directly or indirectly; and alſo from furniſhing them with the credit of bills drawn upon their correſpondents or other perſons in Europe.

XX. That the company's excluſive rights and privileges of trade be ſo extended, as to prevent the importation of goods and merchandize, the produce of the Eaſt Indies, by the way of Suez, or by any other channel to the prejudice of the company.

XXI. That ſuch regulations be formed, as ſhall, if poſſible, prevent ſmuggling; and that no power of remiſſion or mitigation be veſted in the Court of Directors.

XXII. That the Company be permitted to lodge recruits, deſigned for their Settlements in the Eaſt Indies, in Tilbury Fort, Jerſey, or Guernſey, or in ſome other of his Majeſt'ys forts, with one officer to ſuperintend the ſame, and a ſufficient number of ſerjeants to take care of the men, in order to obviate the difficulties, and to prevent the expence occaſioned by the want of ſuch accommodation.

XXIII. That the Company be enabled to import and export goods to and from this kingdom, and places within the limits of the Company's Charter, in ſhips, by purchaſe or otherwiſe, the property of the Company, the ſame being navigated in the manner preſcribed by the laws now in being, reſpecting Britiſh built ſhips.

XXIV. That the Company's marine force at Bombay, and their other principal Settlements in India, be made ſubject to the like articles and rules as the ſhips of war in his Majeſty's ſervice, ſo far as the circumſtances of the ſaid marine force may render the ſame practicable; and that the Preſident and Council in the reſpective ſettlements, be authoriſed to iſſue warrants for holding courts martial for the trial of offenders.

XXV. That ſuch other regulations be made, for the better management of the Company's affairs, as, on further conſideration, ſhall be found neceſſary, and be required by the Company.

XXVI. That the Court of Directors will recommend the above propoſitions to their conſtituents; but that nothing can be finally concluded, without the concurrence of the Court of Proprietors.

Eaſt India Houſe,
28th January, 17780.

F I N I S.